

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY (ADFA)  
BOND GUARANTY PROGRAM  
POLICY STATEMENT**

Arkansas needs healthy businesses in order to grow, prosper and create employment opportunity for its residents. Arkansas businesses need affordable capital for starting new operations and expanding existing operations.

The ADFA Bond Guaranty Program is a public/private partnership through which the state provides a valuable service in the form of a credit enhancement for businesses which will contribute to the economic growth of the state. The ADFA Bond Guaranty Act, (Act 505 of 1985), authorized ADFA to guarantee the amortization (principal and interest) of bonds issued by the ADFA under the provisions of Act 1062 of 1985. In order to qualify for a bond guaranty, businesses must comply with the rules and regulations of the ADFA Bond Guaranty Program. Additionally, the business must demonstrate how the financing of the project will significantly enhance the economy of the state, and that the project is financially reasonable.

The ADFA Bond Guaranty Program was designed to assist companies in financing the construction or purchase of buildings and the purchase of land and equipment. The intent of the Bond Guaranty Program according to Act 505 of 1985 is the following:

- (i) To restore and revitalize existing agricultural business and industrial enterprises for the purpose of retaining existing employment within the state;
- (ii) To promote and develop the expansion and establishment of new and existing agricultural business and industrial enterprises for the purpose of further alleviating unemployment within the state and for providing additional employment;
- (iii) To promote and target resources of the State to further the development of export trade of Arkansas products for the purpose of economic development in the State and for providing additional employment therefrom;
- (iv) To assure the development of reliable, affordable, efficient and environmentally compatible sources of energy for all types of public and private consumption.

